

Fill in this information to identify the case:

Debtor 1 Gregory A. Schaal & Rebecca L. Schaal

Debtor 2  
(Spouse, if filing) \_\_\_\_\_

United States Bankruptcy Court for the: Eastern District of Michigan

Case number 1957793

Official Form 410S1

**Notice of Mortgage Payment Change**

12/15

If the debtor's plan provides for payment of postpetition contractual installments on your claim secured by a security interest in the debtor's principal residence, you must use this form to give notice of any changes in the installment payment amount. File this form as a supplement to your proof of claim at least 21 days before the new payment amount is due. See Bankruptcy Rule 3002.1.

**Name of creditor:**  
Wells Fargo Bank, N.A.

**Court claim no. (if known):** 2

**Date of payment change:**

Must be at least 21 days after date  
of this notice 06/01/2020

**New total payment:**

Principal, interest, and escrow, if any \$595.43

Last 4 digits of any number you use to  
identify the debtor's account:

2 4 5 2

**Part 1: Escrow Account Payment Adjustment**

**1. Will there be a change in the debtor's escrow account payment?**

- ☐ No
- ☒ Yes. Attach a copy of the escrow account statement prepared in a form consistent with applicable nonbankruptcy law. Describe the basis for the change. If a statement is not attached, explain why:

Current escrow payment: \$ 423.89

New escrow payment: \$ 360.83

**Part 2: Mortgage Payment Adjustment**

**2. Will the debtor's principal and interest payment change based on an adjustment to the interest rate on the debtor's variable-rate account?**

- ☒ No
- ☐ Yes. Attach a copy of the rate change notice prepared in a form consistent with applicable nonbankruptcy law. If a notice is not attached, explain why:

Current interest rate: \_\_\_\_\_%

New interest rate: \_\_\_\_\_%

Current principal and interest payment: \$ \_\_\_\_\_

New principal and interest payment: \$ \_\_\_\_\_

**Part 3: Other Payment Change**

**3. Will there be a change in the debtor's mortgage payment for a reason not listed above?**

- ☒ No
- ☐ Yes. Attach a copy of any documents describing the basis for the change, such as a repayment plan or loan modification agreement.  
(Court approval may be required before the payment change can take effect.)

Reason for change:

Current mortgage payment: \$ \_\_\_\_\_

New mortgage payment: \$ \_\_\_\_\_

**Part 4: Sign Here**

The person completing this Notice must sign it. Sign and print your name and your title, if any, and state your address and telephone number.

Check the appropriate box.

☒ I am the creditor.

☐ I am the creditor's authorized agent.

**I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.**

**X**

/s/Tavon Taylor

Date 05/05/2020

Signature

Print: TAYLOR,TAVON

First Name

Middle Name

Last Name

VP Loan Documentation

Title

Company Wells Fargo Bank, N.A.

Address MAC N9286-01Y

Number Street

1000 Blue Gentian Road

Address 2

Eagan

MN

55121-7700

City

State

ZIP Code

Contact phone 800-274-7025

NoticeOfPaymentChangeInquiries@wellsfargo.com

Email

GREGORY A SCHAAL  
23850 SCHROEDER AVE  
EASTPOINTE MI 48021-1896

PLEASE NOTE: If you are presently seeking relief (or have previously been granted relief) under the United States Bankruptcy Code, this statement is being sent to you for informational purposes only. The summaries below are based on the terms of the loan and are provided for informational purposes only.

These amounts are governed by the terms of the loan unless otherwise reduced by an order of the bankruptcy court. Because the amounts billed for the escrow items can change over time, we review the escrow account at least once per year to ensure there will be enough money to make these payments. Once the review is complete, we send the escrow review statement, also known as the escrow account disclosure statement.

- Here’s what we found:
- Required minimum balance:** The escrow account balance is projected to be above the required minimum balance. This means there is an **overage**.

If payments required under the bankruptcy plan have not been made, any escrow overage will be held in the escrow account.

- Payments:** As of the **June 1, 2020** payment, the contractual portion of the escrow payment **decreases**.

Part 1 - Mortgage payment

New Payment	The new total payment will be \$595.43	
	Previous payment through 05/01/2020 payment date	New payment beginning with the 06/01/2020 payment
Principal and/or interest	\$234.60	\$234.60
Escrow payment	\$423.89	\$360.83
Total payment amount	\$658.49	\$595.43

No action required

Starting **June 1, 2020** the new contractual payment amount will be **\$595.43**

See Page 2 for additional details.

Part 2 - Payment calculations

For the past review period, the amount of the escrow items was \$186.76. For the coming year, we expect the amount paid from escrow to be \$4,329.91.

How was the escrow payment calculated?

To determine the escrow payment, we add the projected escrow items to be paid over the next 12 months. We base these projected amounts on any escrow items that may have been paid in the past and any future anticipated payments to be made. We then divide the amounts by 12 payments to determine the escrow amount.

The chart below includes any actual escrow disbursements as well as any shortage that may have been identified for the past three analysis periods up through the date of the analysis.

Escrow comparison

	06/18 - 05/19 (Actual)	06/19 - 05/20 (Actual)	01/20 - 04/20 (Actual)	06/20 - 05/21 (Projected)		# of months		New monthly escrow amount
Property taxes	\$3,359.06	\$2,651.36	\$0.00	\$2,467.79	÷	12	=	\$205.65
Property insurance	\$1,208.00	\$1,310.00	\$0.00	\$1,310.00	÷	12	=	\$109.17
Total taxes and insurance	\$4,567.06	\$3,961.36	\$0.00	\$3,777.79	÷	12	=	\$314.82
Escrow shortage	\$636.57	\$2,308.75	\$0.00	\$0.00				
Mortgage insurance	\$580.32	\$518.35	\$186.76	\$552.12	÷	12	=	\$46.01
Total escrow	\$5,783.95	\$6,788.46	\$186.76	\$4,329.91				\$360.83

Projected escrow account activity over the next 12 months

To determine if there will be a shortage or overage in the account, we calculate whether the amount of the lowest projected escrow balance will be greater or less than the required minimum balance. This is determined by subtracting the required minimum balance from the lowest projected balance. If the outcome is positive, there is an overage. If it is negative, there is a shortage. The calculation is below:

Lowest projected escrow balance August, 2020		-\$687.74	(Calculated in Part 3 - Escrow account projections table)
Bankruptcy adjustment <sup>‡</sup>	+	\$2,063.43	
Minimum balance for the escrow account <sup>†</sup>	-	\$629.64	(Calculated as: \$314.82 X 2 months)
Escrow overage	=	\$746.05	

<sup>‡</sup>This adjustment of \$2,063.43, is the remaining amount of the pre-petition escrow shortage included in our proof of claim being paid through the confirmed bankruptcy plan.

<sup>†</sup>The minimum balance includes a cash reserve to help cover any increase in taxes and/or insurance. To calculate the cash reserve for the escrow account, we add the yearly escrow payments, and divide by 12 (this amount does not include mortgage insurance). We take this amount and multiply it by 2 as allowed by state laws and/or the mortgage contract to determine the cash reserve.

Part 3 - Escrow account projections

Escrow account projections from June, 2020 to May, 2021

Date	Payments to escrow	What we expect to pay out	Description	Projected escrow balance	Balance required in the account
May 2020			Starting balance	\$756.62	\$2,074.00
Jun 2020	\$360.83	\$46.01	FHA Insurance	\$1,071.44	\$2,388.82
Jul 2020	\$360.83	\$46.01	FHA Insurance	\$1,386.26	\$2,703.64
Aug 2020	\$360.83	\$46.01	FHA Insurance	\$1,701.08	\$3,018.46
Aug 2020	\$0.00	\$2,388.82	EASTPOINTE CITY (4)	-\$687.74	\$629.64
Sep 2020	\$360.83	\$46.01	FHA Insurance	-\$372.92	\$944.46
Oct 2020	\$360.83	\$46.01	FHA Insurance	-\$58.10	\$1,259.28
Nov 2020	\$360.83	\$46.01	FHA Insurance	\$256.72	\$1,574.10
Dec 2020	\$360.83	\$46.01	FHA Insurance	\$571.54	\$1,888.92
Dec 2020	\$0.00	\$78.97	EASTPOINTE CITY (4)	\$492.57	\$1,809.95
Jan 2021	\$360.83	\$46.01	FHA Insurance	\$807.39	\$2,124.77
Jan 2021	\$0.00	\$1,310.00	SAFECO INSURANCE COMPANY	-\$502.61	\$814.77
Feb 2021	\$360.83	\$46.01	FHA Insurance	-\$187.79	\$1,129.59
Mar 2021	\$360.83	\$46.01	FHA Insurance	\$127.03	\$1,444.41
Apr 2021	\$360.83	\$46.01	FHA Insurance	\$441.85	\$1,759.23
May 2021	\$360.83	\$46.01	FHA Insurance	\$756.67	\$2,074.05
Totals	\$4,329.96	\$4,329.91			

Part 4 - Escrow account history

Escrow account activity from January, 2020 to May, 2020

Date	Deposits to escrow			Payments from escrow			Description	Escrow balance		
	Actual	Projected	Difference	Actual	Projected	Difference		Actual	Projected	Difference
Jan 2020							Starting Balance	-\$3,697.82	\$1,584.52	-\$5,282.34
Jan 2020	\$0.00	\$423.89	-\$423.89	\$0.00	\$47.37	-\$47.37	FHA Insurance	-\$3,697.82	\$1,961.04	-\$5,658.86
Jan 2020	\$0.00	\$0.00	\$0.00	\$0.00	\$1,208.00	-\$1,208.00	SAFECO INSURANCE COMPANY	-\$3,697.82	\$753.04	-\$4,450.86
Jan 2020	\$0.00	\$0.00	\$0.00	\$47.37	\$0.00	\$47.37	FHA Insurance	-\$3,745.19	\$753.04	-\$4,498.23
Feb 2020	\$0.00	\$423.89	-\$423.89	\$47.37	\$47.37	\$0.00	FHA Insurance	-\$3,792.56	\$1,129.56	-\$4,922.12
Mar 2020	\$0.00	\$423.89	-\$423.89	\$0.00	\$47.37	-\$47.37	FHA Insurance	-\$3,792.56	\$1,506.08	-\$5,298.64
Mar 2020	\$0.00	\$0.00	\$0.00	\$46.01	\$0.00	\$46.01	FHA Insurance	-\$3,838.57	\$1,506.08	-\$5,344.65
Apr 2020 (estimate)	\$4,263.32	\$423.89	\$3,839.43	\$0.00	\$47.37	-\$47.37	FHA Insurance	\$424.75	\$1,882.60	-\$1,457.85
Apr 2020	\$0.00	\$0.00	\$0.00	\$46.01	\$0.00	\$46.01	FHA Insurance	\$378.74	\$1,882.60	-\$1,503.86
May 2020 (estimate)	\$423.89	\$423.89	\$0.00	\$46.01	\$47.37	-\$1.36	FHA Insurance	\$756.62	\$2,259.12	-\$1,502.50
Totals	\$4,687.21	\$2,119.45	\$2,567.76	\$232.77	\$1,444.85	-\$1,212.08				

